



State of Delaware
Department of Human Resources
Statewide Benefits Office

STATE EMPLOYEE BENEFITS COMMITTEE

Request for Proposal for Pharmacy Benefit Management Services

RFP Release Date – June 1, 2020

Phase I:

Responses due Wednesday, June 17, 2020, 1:00 PM ET

Phase II:

Phase II opens July 6, 2020

**Mandatory Pre-Bid Conference Call –
Thursday, July 9, 2020, 11:00 a.m. ET**

Proposals Due – Friday, August 7, 2020, by 1:00 PM ET

DHR21002-Rx_PBM

97 Commerce Way, Suite 201 • Dover, DE 19904
Phone (800) 489-8933 Fax (302) 739-8339 www.de.gov/statewidebenefits

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 - a. To vendor from Highmark Delaware and Aetna:
 - i. Enrollment – Commercial
 - ii. Enrollment – EGWP (from Highmark only)
 - b. From vendor to IBM – Enrollment and Claims in one file
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2. State of Delaware PBM/Rx-related Legislation
3. Delaware Data Usage Terms and Conditions Agreement
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I. Introduction

On behalf of the State of Delaware, the State Employee Benefits Committee (SEBC) is seeking proposals to provide a Pharmacy Benefit Management program to approximately 129,000 active and retired employees of the State of Delaware and their dependents, including approximately 16,000 employees, retirees and their dependents from non-State groups that are allowed to participate in the GHIP according to Delaware Code (e.g., municipalities, local fire departments). For complete information about the State's benefit programs, please go to <https://dhr.delaware.gov/benefits/>.

- ❖ **Vendors may bid on either Commercial², EGWP³ or both.**
- ❖ **A consortium may bid if it discloses the PBM they work with and all responses reflect that PBM's capabilities. The contract would be with the consortium.**
- ❖ **All bidders agree that any data provided by the State of Delaware as part of this RFP will not be released as a public record.**
- ❖ **A PBM may be a subcontractor to a Medical TPA.**

Public notice has been provided in accordance with 29 Del. C. § 6981. This RFP is available in electronic form through the State of Delaware Procurement website at www.bids.delaware.gov. Paper copies of this RFP will not be available.

Important Dates (A full timeline is included in Section I.C.)

Contract Effective Date	July 1, 2021 for Commercial January 1, 2022 for EGWP
RFP Release Date for Phase I	Monday, June 1, 2020
Phase I Initial RFP Vendor Submissions Due	Wednesday, June 17, 2020 by 1:00 p.m. ET
Notification of Finalists to Advance to Phase II and Invitation to Interview	No later than Monday, July 6, 2020

Phase II:	
Phase II RFP Questionnaire open to Finalists	July 6, 2020

Mandatory Pre-Bid Meeting (Conference Call)¹	Thursday, July 9, 2020 at 11:00 a.m. ET
Questions Due from Vendors	Friday, July 17, 2020 by 1:00 p.m. ET
Responses due to Vendors	Friday, July 24, 2020 by 1:00 pm ET
Phase II RFP Proposal Submissions Due	Friday, August 7, 2020 by 1:00 p.m. ET

*****IMPORTANT*** The minimum requirements in this document are the same in the ProposalTech platform. There are no additional questions or requirements.**

A. Background and Overview

The SEBC has retained Willis Towers Watson to facilitate a competitive market bid for pharmacy benefit management (PBM) services. This document supports the Initial Questionnaire (Phase I) which includes the minimum requirements for a vendor to be chosen as a finalist to advance to Phase II, the request for proposal (RFP). The SEBC, expects, and should be offered, unique solutions for pharmacy benefit management. Interested vendors are invited to respond to the SEBC's Phase I Initial Questionnaire.

The SEBC is co-chaired by the Director of the Office of Management and Budget (OMB) and the Secretary of the Department of Human Resources (DHR). The Committee is comprised of the Director of the Office of Management and Budget, the Secretary of the Department of Human Resources, the Insurance Commissioner, the Chief Justice of the Supreme Court, the State Treasurer, the Controller General, the Secretary of the Department of Health and Social Services, the Lieutenant Governor, and the Executive Director of the Delaware State Education Association or their designees. The Statewide Benefits Office (SBO) is a division within the DHR that functions as the administrative arm of the SEBC responsible for the administration of all statewide benefit programs with the exception of pension and deferred compensation benefits. These programs include, but are not limited to, health, prescription drug, dental, vision, disability, life, flexible spending accounts, wellness and disease management programs, pre-tax commuter benefits, third-party network of surgeons of excellence and supplemental critical illness and accident benefits. Not all members of the GHIP are eligible for participation in all of the benefit programs.

The SBO administers the Group Health Insurance Program (GHIP). Eligible participants include active, retired, school district, charter school, university, community college, non-state groups, and COBRA participants and their enrolled dependents. By statute, employee unions cannot negotiate for benefits, therefore there are no union-specific, alternative plan designs for the PPO, HMO, CDH Gold or First State Basic medical plans or the prescription benefit plan. Plan participants

¹ IMPORTANT: Your bid will not be accepted if your organization does not participate in the Phase II Mandatory Pre-Bid Meeting (Conference Call). See Section II.B.4 for details.

are primarily located within the State of Delaware, although a small number of participants reside in other states and countries. There are multiple employer units and non-payroll groups located in three counties throughout the State, with each exercising a high degree of independence. The plan year for the GHIP begins on July 1 and coincides with the State's fiscal year.

Today, the State has contracted with the Highmark Delaware and Aetna to administer the medical portion of the GHIP and with ESI to administer prescription drug services. The State will be marketing the medical plan (excluding pharmacy) during the spring of calendar year 2021. The State reserves the right to change its medical TPAs and/or PBM at any point during the term of its contract.

The General Assembly of the State of Delaware has introduced numerous bills related to PBMs and prescription drugs over the last decade, many of which have been signed into law. Attachment 2 contains a listing of all relevant bills, including those which have been introduced during the 150th General Assembly (7/1/2018 – 6/30/2020). Bidders must comply with any signed bills. Further details on these bills can be located at <https://legis.delaware.gov/>.

	Current Membership
Commercial²	102,067
EGWP³	26,794
Grand Total	128,861

B. Proposal Objectives and Scope of Services

*****IMPORTANT***** The SEBC seeks a pharmacy benefit management partner to duplicate the July 1, 2020 prescription drug benefit plan designs. The State of Delaware is not interested in contracting for any arrangement that would force the State to give up any decision-making control over the administrative or clinical management of their pharmacy benefits program. Today, the State has decision-making authority to determine which programs and services are provided to their population by the incumbent PBM. The State also has the ability to make exceptions to plan coverage determinations.

The organization must have prior experience directly related to the services requested in this RFP and must be able to demonstrate clearly their ability to:

- offer state of the art prescription drug benefit management services;
- provide clinically and financially appropriate management programs;

² Commercial (Non-Medicare lives)

³ EGWP (Employer Group Waiver Plan) is a group Medicare Part D prescription drug plan offered to retirees.

- provide transparency in contracting terms with drug manufacturers and pharmacy networks for both traditional and specialty drugs;
- provide competitive financial terms;
- provide excellent customer service to participants;
- provide excellent account management services to the State, including timely reporting;
- meet or exceed performance guarantees; and
- be responsive to requests of the SEBC.

The selected organization is required to provide the following Scope of Services, at a minimum⁴:

- a. Prescription claim adjudication.
- b. Participant enrollment maintenance including the capability to accept and process enrollment files from the medical benefit partners' (currently Highmark Delaware and Aetna) designated format.
- c. Comprehensive management of the Medicare Part D Employer Group Waiver Plan (EGWP) including the ability to maintain benefits for Medicare retirees who are awaiting their EGWP enrollment approval by the Centers for Medicare and Medicaid Services (CMS).
- d. Securely transmit claims data to the Delaware Health Information Network (DHIN) and IBM (health data analytics' vendor).
- e. Distribution of member ID cards and benefit information.
- f. Patient and provider education.
- g. Network pharmacy management, including a 90 day retail network.
- h. Formulary management and rebate administration.
- i. Systematic prospective, concurrent, and retrospective drug utilization review.
- j. Clinical management programs including prior authorization and appeals processing.
- k. Fraud, waste, and abuse detection and prevention programs.
- l. Mail order and specialty pharmacy services.
- m. Dedicated, knowledgeable, and accessible member support services.

⁴ This is a general list of services. Details are set forth in the minimum qualifications and questionnaire sections.

- n. Secure and multifunctional member website that allows convenient access to enrollment and plan information.
- o. Meaningful and timely management reporting.
- p. Integration with the State's medical and wellness programs and providers for utilization/care/disease management, medical health savings account (HSA), as applicable.
- q. Dedicated, expert, and accessible account management staff.
- r. Support for all program related member communications including open enrollment, direct mailings, and other types of media.
- s. Superior program implementation support.

C. Timetable/Deadlines

The following timetable is expected to apply during this RFP process:

Event	Target
Phase I:	
Phase I Initial RFP Released	Monday, 06/01/2020
Phase I Initial RFP Responses Due – 1:00 p.m. ET	Wednesday, 06/17/2020
Notification of Finalists to Advance to Phase II RFP - Invitation to Interview	No later than Monday, July 6, 2020
Phase II:	
Phase II RFP Released	Monday, 07/06/2020
Mandatory Pre-Bid Meeting (Conference Call) ⁵ – 11:00 AM EST (local time)	Thursday, 07/09/2020
Follow-up Questions due to SBO from Confirmed Bidders – 1:00 PM ET	Friday, 07/17/2020
Responses to Questions to Confirmed vendors	Friday, 07/24/2020
Deadline for Bids – 1:00 PM ET	Friday, 08/07/2020

⁵ IMPORTANT: Your bid will not be accepted if your organization does not participate in the Phase II Mandatory Pre-Bid Meeting (Conference Call). See Section II.B.4 for details.

Finalist Interviews ⁶	Early October, 2020
Contract Award	Mid-December, 2020
Implementation	January – June, 2021
Contract Effective Date	07/01/21, Commercial 01/01/22, EGWP

D. Evaluation Process

1.0 Proposal Review Committee

The Proposal Review Committee (PRC) will review all proposals submitted that meet the requirements of the RFP. The PRC shall be comprised of representatives from each of the following offices:

- Department of Human Resources
- Office of Management and Budget
- Controller General's Office
- Department of Health and Social Services
- State Insurance Commissioner's Office
- State Treasurer's Office
- Chief Justice of the Supreme Court
- Lieutenant Governor's Office
- Executive Director of the Delaware State Education Association

The SBO shall determine the firms that meet requirements pursuant to selection criteria of the RFP and procedures established in 29 Del. C. § 6981 and 6982. The PRC reserves full discretion to determine the competence and responsibility, professionally and/or financially, of vendors. Vendors are to provide in a timely manner any and all information the PRC may deem necessary to make a decision. The PRC shall interview at least one (1) of the qualified firms.

The minimum requirements are mandatory. Failure to meet any of the minimum requirements in the RFP may result in disqualification of the proposal submitted by your organization.

⁶ The SEBC requires each of the finalists to make a presentation in Dover, Delaware at that expense of the proposing firm. Please save the dates of October 5 and 6, 2020, though the SBO cannot guarantee that date for interviews.

The SEBC will not respond to a question in the question and answer process that asks whether or not a bid would be disqualified if the vendor does not meet a specific minimum requirement. The bid must be submitted and then analyzed in its entirety.

The PRC shall make a recommendation regarding the award of contract to the SEBC who shall have final authority, in accordance with the provisions of this RFP and 29 Del.C. §6982, to award a contract to the winning firm or firms as determined by the SEBC in its sole discretion to be in the best interests of the State of Delaware. The SEBC may negotiate with one or more firms during the same period and may, at its discretion, terminate negotiations with any or all firms. The SEBC reserves the right to reject any and all proposals. Pursuant to 29 Del. C. § 6986, the SEBC may award a contract to two or more vendors, one for the commercial account and one for EGWP, if the SEBC determines that it is in the best interest of the State. Your offer should not assume you will receive both the commercial and EGWP populations.

2.0 Evaluation Criteria

All proposals shall be evaluated using the same criteria and scoring process. The following criteria shall be used to evaluate proposals.

PHASE I:

Topic and Weighting	Description/Examples
Responsiveness – 5%	Compliance with the submission requirements of the bid including format, clarity, conformity, realistic responses, and completeness, as well as responsiveness to requests during the evaluation process.
State Legislation – 20%	Agreement to satisfy the signed Delaware State legislation stipulated as applicable to pharmacy in the Phase I minimum requirements and confirmation that all pending legislation has been reviewed and vendor acknowledged no concerns or provided a concise response regarding the impact pending legislation may have, if passed, on the bidder's ability to meet the Phase I minimum requirements.
Audit Rights, Transparency and Flexibility – 25%	<ul style="list-style-type: none"> • Ability to be compliant with requested audit rights and transparency terms as stated in Phase I Questionnaire. • Flexibility to implement desired plan components - formulary, network, plan design, utilization management and clinical programs.
Ability and Capacity to Provide Requested Services – 50%	Ability of bidder to provide services as outlined in the Phase I Questionnaire - prior experience in providing Scope of Services, managing clients of similar size and complexity to the State, experience of proposed Account Team and capacity of bidder related to current mail order prescription volumes.

PHASE II:

Because a vendor may submit a proposal for either Commercial, EGWP or both programs, each program's proposals will be evaluated by the PRC and scored separately.

Topic and Weighting	Description/Examples
Responsiveness – 5%	Compliance with the submission requirements of the bid including format, clarity, conformity, realistic responses, and completeness, as well as responsiveness to requests during the evaluation process.
Cost – 50%	Competitive discounts, rebate guarantees, and administrative fees. Cost considerations will include both commercial and EGWP competitive pricing.
Organization's Ability and Experience - 20%	<ul style="list-style-type: none">• Proven ability to perform the services as outlined in the Scope of Services.• Ability to duplicate existing plan designs and match existing clinical programs.• Proven ability to implement the program with minimal disruption to participants.
Network and Formulary– 15%	Convenient retail pharmacy network, including a 90-day supply retail network, and formulary that balances comprehensive coverage and cost management.
Administrative Services - 10%	<ul style="list-style-type: none">• Accomplished account management personnel with the ability to be responsive and solve problems for the Statewide Benefits account team.• Qualifications and experience of the organization's personnel to provide excellent customer service to the participants.

It is the proposing firm's sole responsibility to submit information relative to the evaluation of its proposal and the SEBC is under no obligation to solicit such information if it is not included with the proposing firm's proposal. Failure of the proposing firm to submit such information in a manner so that it is easily located and understood may have an adverse impact on the evaluation of the proposing firm's proposal.

The SEBC will use the information contained in each bidder's proposal to determine whether that bidder will be selected as a finalist and for contract preparation. The proposal the SEBC selects will be a binding document. As such, the SEBC will expect the proposing firm to honor all representations made in its proposal.

The proposals shall contain the essential information for which the award will be made. The information that is required in response to this RFP has been determined by the SEBC and the PRC to be essential in the evaluation and award process. Therefore, all instructions contained in this RFP must be met in order to qualify as a responsive contractor and to participate in the PRC's consideration for award. Proposals that do not meet or comply with the instructions of this RFP may be considered non-conforming and deemed non-responsive and subject to disqualification at the sole discretion of the PRC.

3.0 RFP Award Notification

The contract shall be awarded to the vendor whose proposal is determined by the SEBC to be most advantageous, taking into consideration the evaluation criteria set forth in the RFP. The SEBC is not obligated to award the contract to the vendor who submits the lowest bid or the vendor who receives the highest total point score. Rather the contract will be awarded to the vendor whose proposal is determined by the SEBC to be the most advantageous. The award is subject to the appropriate State of Delaware approvals. After a final selection is made, the winning vendor will be invited to enter into a contract with the State; remaining vendors will be notified in writing of their selection status.

4.0 Award of Contract

The final award of a contract is subject to approval by the SEBC. The SEBC has the sole right to select the winning vendor for award, to reject any proposal as unsatisfactory or non-responsive, to award a contract to other than the lowest priced proposal, to award multiple contracts, or not to award a contract, as a result of this RFP. Notice in writing to a vendor of the acceptance of its proposal by the SEBC and the subsequent full execution of a written contract will constitute a contract and no vendor will acquire any legal or equitable rights or privileges until the occurrence of both such events.

E. Confidentiality of Documents

The State of Delaware and its constituent agencies are required to comply with the State of Delaware Freedom of Information Act, 29 Del. C. § 10001, et seq. ("FOIA"). FOIA requires that the State of Delaware's records are public records (unless otherwise declared by FOIA or other law to be exempt from disclosure) and are subject to inspection and copying by any person upon a written request. The content of all proposals is subject to FOIA's public disclosure obligations. However, there shall be no disclosure of any vendor's information to a competing vendor or in fulfillment of a FOIA request during the bidding and contract development process.

Organizations are advised that when the contract has been fully executed the contents of the proposal and terms of the contract, including administrative fees, will become public record and nothing contained in the proposal or contract will be deemed to be confidential except the proprietary information. If your bid contains the phrase "confidential and proprietary" or simply the word "confidential" on each page, such status will not automatically be granted.

The State of Delaware wishes to create a business-friendly environment and procurement process. As such, the State respects the vendor community's desire to protect its intellectual property, trade secrets, and confidential business information (collectively referred to herein as "confidential business information"). Proposals must contain sufficient information to be evaluated. If a vendor feels that they cannot submit their proposal without including confidential business information, they must adhere to the following procedure or their proposal may be deemed unresponsive, may not be recommended for selection, and any applicable protection for the vendor's confidential business information may be lost.

In order to allow the State to assess a vendor's confidential business information, vendors will be permitted to designate appropriate portions of their proposal as confidential business information. Fees or premiums are only considered confidential and proprietary during the bid evaluation process.

If you are providing any information you declare to be confidential or proprietary for the purpose of exclusion from the public record under 29 Del. C. ch. 100, Delaware Freedom of Information Act, you must follow the directions for submission outlined below and within Section II.C., Submission of Proposal.

The confidential business information must be submitted as one electronic pdf copy as follows:

- 1) A letter from the vendor's legal counsel describing the information in the attached document(s) and representing in good faith that the information in each document is not "public record" as defined by 29 Del. C. § 10002. The letter must briefly state the reason(s) that the information meets the said definitions. (See Section II.C., Submission of Proposal, for detailed instructions.)
- 2) Copies of the non-redacted pages with that information must be in the same pdf behind the letter.

A vendor's determination as to its confidential business information shall not be binding on the State. The State shall independently determine the validity of any vendor designation as set forth in this section. Any vendor submitting a proposal or using the procedures discussed herein expressly accepts the State's absolute right and duty to independently assess the legal and factual validity of any information designated as confidential business information. Accordingly, vendor(s) assume the risk that confidential business information included within a proposal may enter the public domain.

The State is not responsible for incorrect redactions or reviewing your submission to determine whether or not any information asserted as confidential and proprietary is redacted. Mistakes in redactions are the sole responsibility of the bidder.

II. Terms and Conditions

A. Proposal Response Requirements

1. **Conformity** – Your proposal must conform to the requirements set forth in this RFP. The SEBC reserves the right to deny any and all exceptions taken to the RFP requirements. By submitting a bid, each vendor shall be deemed to acknowledge that it has carefully read all sections of this RFP, including all forms, schedules, appendices, and exhibits hereto, and has fully informed itself as to all existing conditions and limitations. The failure or omission to examine any form, instrument or document shall in no way relieve vendors from any obligation in respect to this RFP.
2. **Concise and Direct** – Please provide complete answers and explain all issues in a concise, direct manner. Unnecessarily elaborate brochures or other promotional materials beyond those sufficient to present a complete and effective proposal are not desired. Please do not refer to another answer if the question appears duplicative, but respond in full to each question. If you cannot provide a direct response for some reason (e.g., your company does not collect or furnish certain information), please indicate the reason rather than providing general information that fails to answer the question. **“Will discuss” and “will consider” are not appropriate answers, nor is a reference to the current contractual terms by an incumbent.** All information requested is considered important. If you have additional information you would like to provide, include it as an exhibit to your proposal. If your organization is an incumbent, please reply with a full explanation to every question since the review committee may not be familiar with the current contract or your services.
3. **Realistic** – It is the expectation of the SEBC that vendors can fully satisfy the obligations of the proposal in the manner and timeframe defined within their proposal. Proposals must be realistic and must represent the best estimate of time, materials, and other costs including the impact of inflation and any economic or other factors that are reasonably predictable. The State of Delaware shall bear no responsibility or increased obligation for a vendor’s failure to accurately estimate the costs or resources required to meet the obligations defined in the proposal.
4. **Completeness of Proposal** – The proposal must be complete and comply with all aspects of the specifications. Any missing information could disqualify your proposal. Proposals must contain sufficient information to be evaluated and, therefore, must be complete and responsive. Unless noted to the contrary, we will assume that your proposal conforms to our specifications in every way. The SEBC reserves full discretion to determine the competence and responsibility, professionally, and/or financially, of vendors. Failure to respond to any request for information may result in rejection of the proposal at the sole discretion of the SEBC.

5. Fee Proposal

At its sole discretion, and as it serves the best interest of the State, the State reserves the right to negotiate for an award for any pricing basis. Fee proposals will be part of Phase II of the RFP.

B. General Terms and Conditions

1. Intent to Bid –

*****IMPORTANT*** The minimum requirements in this document are the same in the ProposalTech platform. There are no additional questions or requirements. Your registration in ProposalTech will indicate your Intent to Bid.**

2. **No Bid** – To assist us in obtaining competitive bids and analyzing our procurement processes, if you sign into either the Phase I or Phase II Questionnaires within ProposalTech and choose not to bid we ask that you let us know the reason. We would appreciate your candor. For example: objections to (specific) terms, do not feel you can be competitive, or cannot provide all the services in the Scope of Services. Please submit your decision not to bid along with the rationale via ProposalTech.

3. Definitions –

- a. The following terms are used interchangeably throughout this RFP:

- i. bidder, vendor, contractor, organization, service provider
- ii. member (of the GHIP), participant (specifically enrolled or participating)
- iii. SEBC, State of Delaware
- iv. proposal, bid, vendor's submission
- v. non-payroll group, participating group
- vi. shall, will, and/or must
- vii. Scope of Services, Scope of Work
- viii. fees, rates
- ix. rates, premiums

- b. Customer Service – Services to the members/participants, not the State, SEBC or SBO personnel.

- c. Account Management – Services provided to your client - the State, SEBC and SBO personnel.

- d. Appendix – Form provided in the RFP that needs to be completed by the bidder.
 - e. Attachment – Informational document provided in the RFP.
 - f. Exhibit – Attachment requested to the vendor’s bid response. Examples would be a copy of the bidder’s business license, a resume, or sample mailings.
4. **Phase II Mandatory Pre-Bid Meeting – A conference call will take place on Thursday, July 9, 2020, at 11:00 a.m. ET (local time).** Vendors that have been selected to advance to Phase II will be notified.
- Your bid will not be accepted if your organization does not participate in the conference call. Meeting minutes may be taken. If new or additional information is provided, an addendum may be released to address information provided during the mandatory pre-bid conference call. Questions regarding other topics will not be entertained and must be submitted in the Questions and Answers process that will be described in the Phase II document.
5. **Consistency of Bid Response with Finalist Interview** – A summary of each vendor finalist’s bid response will be provided to the PRC in advance of the finalist interviews. In the event that you are selected as a finalist for the Phase II Finalist Interview, it is imperative that you notify the State via ProposalTech of any material differences between your bid response and your finalist presentation no later than five (5) business days before the finalist meeting to ensure adequate time to notify the PRC of those changes.
6. **Best and Final Rates or Offer (“BAFO”)** – A financial offer is not requested in Phase I. The State may or may not request improved rates or pricing in Phase II. Therefore, you are encouraged to submit your best pricing initially in your bid response.

Contract Term

The term of the contract will be for three (3) years beginning July 1, 2021 and ending June 30, 2024, with the first year running from the contract effective date through June 30, 2022 for Commercial. The EGWP contract will begin January 1, 2022 and end December 31, 2025. The State will have the option to renew the contract for two (2) additional one-year periods.

Contract Termination

The term of the contract between the winning organization and the State will be for three (3) years and may be renewed for two (2) additional one (1) year extensions at the discretion of the SEBC. The contract may be terminated for convenience, without penalty, by the State with 180 days written notice. The contract may be terminated for cause by the vendor with 180 days written notice to the State. In the event the winning firm materially breaches any obligation under this Agreement, the State may terminate this Agreement upon thirty (30) days written notice.

Performance Guarantees

The State expects exceptional client account management and participant customer service from their vendors and is interested in evaluating financial and non-financial performance guarantees. The State reserves the right to negotiate both financial and non-financial performance guarantees. ***If your offer does not receive a clarifying question or any other response from the State, it does not infer acceptance.*** The Performance Guarantees will be part of the Phase II RFP Questionnaire.

Future Contract Development

It is imperative that the contract drafting and finalization process be timely and accurately reflect the minimum requirements and other applicable contractual terms in the RFP. A fee will be at risk as set forth in the Performance Guarantees if this requirement is not met.

Use of Subcontractors

Subcontractors are subject to all the terms and conditions of the RFP and the companies and their services must be clearly explained in your proposal. A subcontractor is any company that is under direct contract to perform services for the State's account. Consequently, an example of a business that would provide services on the State's account, but is not a subcontractor, is the United States Postal Service. The SEBC reserves the right to approve any and all subcontractors.

Offshore Vendor Activity

An activity central to the Scope of Services cannot take place at a physical location outside of the United States. Only support activities, including those by a subcontractor, may be performed at satellite facilities such as a foreign office or division. Failure to adhere to this requirement is cause for elimination from future consideration.

Rights of the PRC

- The PRC reserves the right to:
 - Select for contract or negotiations a proposal other than that with lowest costs.
 - Reject any and all proposals received in response to this RFP.
 - Make no award or issue a new RFP.
 - Waive or modify any information, irregularity, or inconsistency in a proposal received.
 - Request modification to proposals from any or all vendors during the review and negotiation.
 - Negotiate any aspect of the proposals with any organization.
 - Negotiate with more than one organization at the same time.
 - Pursuant to 29 Del. C. § 6986, select more than one contractor/vendor to perform the applicable services.

- Right of Negotiation – Discussions and negotiations regarding price, performance guarantees, and other matters may be conducted with organizations(s) who submit proposals determined to be reasonably acceptable of being selected for award, but proposals may be accepted without such discussions. The PRC reserves the right to further clarify and/or negotiate with the proposing organizations following completion of the evaluation of proposals but prior to contract execution, if deemed necessary by the PRC and/or the SEBC. ***If any portion of a bid response does not receive a clarifying question or any other response from the State, the non-response does not infer acceptance of that portion of the bid response by the State.*** The SEBC also reserves the right to move to other proposing firms if negotiations do not lead to a final contract with the initially selected proposing firm. The PRC and/or the SEBC reserves the right to further clarify and/or negotiate with the proposing firm(s) on any matter submitted.
- Right to Consider Historical Information – The PRC and/or the SEBC reserves the right to consider historical information regarding the proposing firm, whether gained from the proposing firm’s proposal, question and answer conferences, references, or any other source during the evaluation process.
- Right to Reject, Cancel and/or Re-Bid – The PRC and/or the SEBC specifically reserve the right to reject any or all proposals received in response to the RFP, cancel the RFP in its entirety, or re-bid the services requested. The State makes no commitments, expressed or implied, that this process will result in a business transaction with any vendor.

C. Submission of Proposal

1. General Directions for Electronic Submission –

The RFP process is being conducted electronically using the Proposal Technologies Network, Inc. (ProposalTech) application. The official proposal submission process is via ProposalTech.

For any organization that may be unfamiliar with this Web-based tool, ProposalTech representatives will schedule training sessions at your convenience. In advance of the Phase I Questionnaire opening on the ProposalTech website, you may view an online training demo of the system and its functionality. This demo takes approximately five minutes and will improve your understanding of the system’s functionality. Click on the link below to view the flash demo:

http://www.proposaltech.com/help/docs/response_training_798x599.htm

If you have any questions regarding the registration process or have technical questions specific to ProposalTech, contact ProposalTech Support at (877) 211-8316 x 84.

2. To access the electronic Phase I Questionnaire, vendors must first take the following actions:

In order to register for the Phase I Questionnaire go to
<http://www.proposaltech.com/home/app.php/register>.

Enter your email address into the field provided. No registration code is necessary. Click “Begin Registration.” If you already have an account with ProposalTech it will be listed on the registration page. If you do not, you will be asked to provide company information. Once your account has been confirmed, check the appropriate box for the State of Delaware RFP for Pharmacy Benefit Management Services and click the “Register” button. If approved to proceed to Phase I, an invitation will be emailed to you within fifteen minutes. If you have any questions regarding the registration process, contact ProposalTech Support at 877-211-8316 x84.

The primary contact should access the website to initiate review and acceptance of the Phase I Questionnaire as noted above. Primary contacts will be responsible for establishing permission to access the Phase I Questionnaire for other individuals within their organizations. Multiple users from your organization may access the Phase I Questionnaire simultaneously.

Detailed instructions for the completion and submission of your Phase I Questionnaire responses will be found in the eRFP. ProposalTech will be available to assist you with technical aspects of utilizing the system.

If you would like to schedule a ProposalTech training session please contact ProposalTech at (877) 211-8316, choose option 4, or send an email to support@proposalttech.com.

3. Claims Data –

In order to receive deidentified claims data, vendors who have been invited to respond to the Phase II RFP Questionnaire must sign a Non-Disclosure Agreement (NDA).

4. Confidential Information, Generally –

Confidential and proprietary information identified in the attorney’s letter and redacted from the vendor’s proposal will be treated as confidential during the evaluation process.

5. Directions for Confidential and Proprietary Submission, if any –

In order to preserve the confidential and proprietary status of the appropriately designated portion of your bid, your bid must be submitted as follows: Upload one (1) electronic pdf copy that contains a letter from the vendor’s legal counsel describing the information in the attached documents (applicable question number(s) are to be referenced from the bid response) and representing in good faith that the information in each document is not “public record” as defined by 29 Del. C. § 10002. The letter must briefly state the reason(s) that the information meets the said definitions. The single pdf would have the signed letter and each question number of the bid response with that information behind it in the order stated in the letter so that the State can identify the information without having to look through the entire bid response. For

large sections or appendices, please upload a sheet that identifies the material, not the multitude of pages. For example, “Appendix C – *Formulary Disruption Report*”.

6. Directions for the Redacted Electronic Copy⁷, if applicable –

- a. Any information you deem confidential and proprietary as identified in the attorney’s letter must be redacted. The State is not responsible for incorrect redactions or reviewing your submission to determine whether or not the information asserted as confidential and proprietary is redacted. Mistakes in redactions are the sole responsibility of the bidder.
- b. Redaction Method - The identification of confidential and proprietary responses has been turned on for Phase I and Phase II of this RFP through ProposalTech. If you feel that a response to a question contains proprietary/confidential information, click the “Disclosure” tab located underneath the question and check the box for “Exemption from Disclosure.” Provide a reason for the exemption in the text field provided. If you do not provide a reason for exemption, the question will not be considered answered. DO NOT make every response confidential, but only select those responses that contain information that is proprietarily identifiable for your company. Note that any responses that have been redacted must additionally be reflected via the process outlined in Section II. C.
- c. PDF - A *complete* electronic copy is needed with the redacted materials in a PDF format. We need this separate complete electronic copy to use for FOIA requests. If you would like to download a hard copy of your proposal with confidential responses redacted, you may do so within ProposalTech. If you have any questions regarding this process, please contact ProposalTech Support at 877-211-8316 x84. You must scan all the documents as directed above in the *General Directions for Electronic Copies* above. For large sections or appendices, please upload a sheet that identifies the material, not pages of black redactions. For example, “Appendix C – *Disaster Recovery Plan* – is confidential and proprietary and is not public record as defined by FOIA at 29 Del. C. § 10002(d)”.

7. Follow-Up Responses and Finalist Presentations

- a. The same format requirements apply to follow-up responses and presentation materials. **If information in any of the follow-ups and presentation matches the type that was requested for a confidential and proprietary determination, you must upload a redacted electronic version of the document(s).**
- b. Finalist Presentation – You will be asked for a non-redacted electronic copy that includes PDFs of any supplemental materials or handouts to be uploaded via ProposalTech.

⁷ A redacted hard copy is not required.

- c. If there is a new type of information that was not included in your original bid and you deem it confidential and proprietary, you must include the required attorney's letter and upload via ProposalTech.

8. Proposal Submission Date –

For vendors invited to respond to the Phase I RFP, your complete proposal must be submitted via ProposalTech no later than **1:00 p.m. ET on Wednesday, June 17, 2020**. Any proposal received after this date and time shall not be considered.

For vendors invited to respond to the Phase II RFP, your complete proposal must be submitted via ProposalTech no later than **1:00 p.m. ET on Friday, August 7, 2020**. Any proposal received after this date and time shall not be considered.

9. **Phase I and Phase II Proposal Openings** – To document compliance with the deadline, the proposals will be date and time stamped upon submission via ProposalTech. Proposals will be opened only in the presence of State of Delaware personnel. There will be no public opening of proposals, but a public log will be kept of the names of all vendor organizations that submitted proposals and the list will be posted on www.bids.delaware.gov. Proposals become the property of the State of Delaware at the proposal submission deadline. The contents of any proposal shall not be disclosed or made available to competing entities during the negotiation process.
10. **Officer Certification** – All vendors participating in Phase II of this RFP will be required to have a company officer attest to compliance with RFP specifications and the accuracy of all responses provided. You will be required to fill out an *Officer Certification Form* and include it in your bid package.
11. **Vendor Errors/Omissions** – The SEBC will not be responsible for errors or omissions made in your proposal. You will be permitted to submit only one proposal. You may not revise submitted proposals or information after the applicable deadline.
12. **Modifications to Submitted Proposal** – Changes, amendments or modifications to proposals shall not be accepted or considered after the time and date specified as the deadline for submission of proposals.
13. **General Modifications to RFP** – The SEBC reserves the right to issue amendments or change the timelines to this RFP. All firms who registered to respond to the Phase I or Phase II Questionnaire(s) will be notified via ProposalTech of any modifications made by the SEBC to this RFP, where applicable. If it becomes necessary to revise any part of the RFP, a notification of addendum will be emailed to all vendors via ProposalTech who registered to respond and it will also be posted on the State of Delaware's website at www.bids.delaware.gov.
14. **Proposal Clarification** – The SEBC may contact any vendor in order to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Clarifications (known as "follow-ups") will be requested in writing via ProposalTech and the vendor's responses will become part of the proposal.

15. **References** – The SEBC may contact any customer of the vendor, whether or not included in the vendor’s reference list, and use such information in the evaluation process. Additionally, if applicable to the scope of work or services in this RFP, the State of Delaware may choose to visit existing installations of comparable systems, which may or may not include vendor personnel. If the vendor is involved in such site visits, the State of Delaware will pay travel costs only for the State of Delaware personnel for these visits. Please note that the consulting firm Willis Towers Watson will be contacting references provided by bidders in response to this RFP on the SEBC’s behalf.
16. **Time for Acceptance of Proposal of Phase I and Phase II** – The bidder agrees to be bound by its proposal for a period of at least 180 days, during which time the State may request clarification or corrections of the proposal for the purpose of the evaluation. The State reserves the right to ask for an extension of time if needed.
17. **Incurred Costs** – This RFP does not commit the SEBC to pay any costs incurred in the preparation of a proposal in response to this request and vendor/bidder agrees that all costs incurred in developing its proposal are the vendor/bidder's responsibility. The State shall bear no responsibility or increased obligation for a vendor’s failure to accurately estimate the costs or resources required to meet the obligations defined in the proposal.
18. **Basis of Cost Proposal** – Your proposal must be based on your estimated cost of all expenses for the services and funding arrangements requested.
19. **Certification of Independent Price Determination** – By submission of a proposal in Phase II, the proposing firm certifies that the pricing guarantees or fees submitted in response to the RFP have been arrived at independently and without – for the purpose of restricting competition – any consultation, communication, or agreement with any other proposing firm or competitor relating to those premium rates or fees, the intention to submit a proposal, or the methods or factors used to calculate the fees or premium rates proposed. You will be required to submit a *Non-Collusion Statement* and include it in your bid package via ProposalTech.
20. **Improper Consideration** – Bidder shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, service, the provision of travel or entertainment, or any items of value to any officer, employee, group of employees, retirees or agent of the SEBC in an attempt to secure favorable treatment or consideration regarding the award of this proposal.
21. **Representation Regarding Contingent Fees** – If it is your business practice to engage services from any person or agency to secure or execute any of the services outlined in this RFP, any commissions and percentage, contingent, brokerage, service, or finder’s fees must be included in your proposed rates. The SEBC will not pay any separate brokerage fees for securing or executing any of the services outlined in this RFP. **Therefore, all proposed fees must be net of commissions and percentage, contingent, brokerage, service or finders’ fees.**

22. **Confidentiality** – All information you receive pursuant to this RFP is confidential and you may not use it for any other purpose other than preparation of your proposal.
23. **Solicitation of State Employees** – Until contract award, vendors shall not, directly or indirectly, solicit any employee of the State of Delaware to leave the State’s employ in order to accept employment with the vendor, its affiliates, actual or prospective contractors, or any person acting in concert with the vendor, without prior written approval of the State’s contracting officer. Solicitation of State of Delaware employees by a vendor may result in rejection of the vendor’s proposal.

This paragraph does not prevent the employment by a vendor of a State of Delaware employee who has initiated contact with the vendor. However, State of Delaware employees may be legally prohibited from accepting employment with the contractor or subcontractor under certain circumstances. Vendors may not knowingly employ a person who cannot legally accept employment under state or federal law. If a vendor discovers that they have done so, they must terminate that employment immediately.

24. **Consultants and Legal Counsel** – The SEBC may retain consultants or legal counsel to assist in the review and evaluation of this RFP and the vendors’ responses. Bidders shall not contact the consultant or legal counsel on any matter related to this RFP unless written permission and direction is provided.
25. **Contact with State Employees** – Unless expressly requested to contact another State employee or SBO’s consulting firm, direct contact with State of Delaware employees regarding this RFP other than the designated contact, Ms. Laurene Ehemman, is expressly prohibited without prior consent. Ms. Ehemman’s contact information is 302-760-7060 and via email at laurene.eheman@delaware.gov. Vendors directly contacting State of Delaware employees risk elimination of their proposal from further consideration. Exceptions exist only for organizations currently doing business with the State who require contact in the normal course of doing that business.
26. **Organizations Ineligible to Bid** – Any individual, business, organization, corporation, consortium, partnership, joint venture, or any other entity including subcontractors currently debarred or suspended is ineligible to bid. Any entity ineligible to conduct business in the State of Delaware for any reason is ineligible to respond to the RFP.
27. **Exclusions** – The PRC reserves the right to refuse to consider any proposal from a vendor who:
- a. Has been convicted for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of the contract or subcontract;
 - b. Has been convicted under State or Federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or other offense indicating a lack of business integrity or business honesty that currently and seriously affects responsibility as a State contractor;

- c. Has been convicted or has had a civil judgment entered for a violation under State or Federal antitrust statutes;
- d. Has violated contract provisions such as:
 - i. Knowing failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
 - ii. Failure to perform or unsatisfactory performance in accordance with terms of one or more contracts;
 - iii. Has violated ethical standards set out in law or regulation; and
 - iv. Any other cause listed in regulations of the State of Delaware determined to be serious and compelling as to affect responsibility as a State contractor, including suspension or debarment by another governmental entity for a cause listed in the regulations.

III. Phase I Minimum Requirements

The minimum requirements are mandatory.

Failure to meet any minimum requirements may result in disqualification of the proposal submitted by your organization. Omission of responses and forms could result in a determination that your bid is non-responsive. Please review Section II.A., Proposal Response Requirements for additional guidelines.

Instructions:

!!! IMPORTANT !!!

- A. **Clear and Succinct** – Whenever applicable, you must clearly and succinctly indicate how your standard procedures would be modified in order to accommodate any specific requirements of the State that deviate from your standard procedures.
- B. **Responsiveness** –
- Generic responses or stock answers that do not address State-specific requirements will be deemed unresponsive.
 - “Will discuss” and “will consider” are not appropriate answers.
 - All questions are important to the State and therefore you may not answer that a topic is not applicable unless you specifically state why it is a service that does not apply for the plans or programs you are proposing.
- C. **Respond to Each Question** –
- If a question is repeated in multiple sections and your answer is the same, please do not refer to your answer in another section but copy it under each question.
 - DO NOT LEAVE A RESPONSE BLANK! Vendors must respond to every question in order to submit your completed proposal via ProposalTech.
- D. **Incumbents** – If your organization is a current vendor, you must reply with a full explanation to every question since the review committee may not be familiar with the current contract or your services.

*****IMPORTANT*****

**The minimum requirements in this document are the same in the ProposalTech platform.
There are no additional questions or requirements.**

PHASE I MINIMUM REQUIREMENTS -

#	Minimum Requirement	Response
1	If the non-incumbent, Contractor must be able to process prescription claims on July 1, 2021.	<i>(Pick one of the following)</i> <input type="checkbox"/> Confirmed <input type="checkbox"/> Not confirmed, explain
2	Contractor can and agrees to accept the data elements in the file feeds from Highmark BCBS and Aetna along with claims data to be sent to DHIN and IBM – see Attachment 1 for all file layouts. Please state whether or not you are bidding on commercial or EGWP or both. Changes, either of a data type or addition of a data type, may not be accepted. Be sure to detail any potential expectations for changes.	<i>(Pick one of the following)</i> <input type="checkbox"/> Confirmed <input type="checkbox"/> Not confirmed, explain
3	The State of Delaware is not interested in contracting for any arrangement that would force the State to give up any decision-making control over the administrative or clinical management of their pharmacy benefits program. Today, the State has decision-making authority to determine which programs and services are provided to their population by the incumbent PBM; the State also has the ability to make exceptions to plan coverage determinations. Please confirm that your proposed PBM services will allow the State to retain this level of decision-making authority over the pharmacy benefits provided under the State Group Health Plan.	<i>(Pick one of the following)</i> <input type="checkbox"/> Confirmed Not confirmed, explain
4	Contractor will allow the State the ability to carve-out specialty dispensing and management to an outside best practice carrier of their choice should the State decide to take an alternative specialty approach, with no impact to pricing for either EGWP or Commercial pricing offers.	<i>(Pick one of the following)</i> <input type="checkbox"/> Confirmed <input type="checkbox"/> Not confirmed, explain
5	Contractor will provide a pricing offer that will be separate for Commercial and EGWP populations (i.e., the Commercial offer will not assume the EGWP population is implemented, and vice versa)	<i>(Pick one of the following)</i> <input type="checkbox"/> Confirmed Not confirmed, explain
6	Confirm that you have reviewed the legislation requirements in Attachment 2, State of Delaware Pharmacy Legislation, which	<i>(Pick one of the following)</i> <input type="checkbox"/> Confirmed

#	Minimum Requirement	Response
	<p>includes links to all signed legislation (laws) and pending or introduced legislation.</p> <p>Confirm your organization will comply with all current legislation and that you have no concerns with complying with all pending or introduced legislation. As part of your response, provide a concise explanation of the impact pending legislation may have, if passed, on your ability to meet the Phase I minimum requirements.</p>	Not confirmed, explain
7	<p><u>Indemnification:</u> Be advised that the State cannot agree to major changes and will not accept a change to gross negligence.</p> <p>Contractor shall indemnify and hold harmless the State, its agents and employees, from any and all liability, suits, actions or claims, together with all reasonable costs and expenses (including attorneys' fees) directly arising out of (A) the negligence or other wrongful conduct of the Contractor, its agents or employees, or (B) Contractor's breach of any material provision of this Agreement not cured after due notice and opportunity to cure, provided as to (A) or (B) that (i) Contractor shall have been notified in writing by the State of any notice of such claim; and (ii) Contractor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise.</p> <p>The State shall not indemnify the vendor in the contract awarded under this RFP or any related contract. vendor shall not request the State to indemnify or provide quasi-indemnification under any contract. An example of an unacceptable quasi-indemnification provision is:</p> <p style="padding-left: 40px;">The State asserting it is without legal authority to agree to such indemnification, acknowledge that vendor, on behalf of itself and any affiliate, reserves such rights as it may have to obtain reasonable compensation from the State, against any loss, damage, costs of suit or other expenses resulting from the improper use or disclosure of data or any breach of this Agreement by State.</p>	<p><i>(Pick one of the following)</i></p> <p><input type="checkbox"/> Confirmed</p> <p><input type="checkbox"/> Not confirmed, explain</p>
8	<p><u>Indemnification for Data Breaches:</u> Be advised that the State cannot agree to major changes and will not accept a change to gross negligence.</p> <p>Contractor shall indemnify and hold harmless the State, its agents and employees, from any and all liability, suits, actions or claims, together with all reasonable costs and expenses (including attorneys' fees) directly arising out of any <u>data security breaches/ or incidents</u> (A) the negligence or other wrongful conduct of the Contractor, its agents or employees, or (B) Contractor's breach of any material provision of this Agreement not cured after due notice</p>	<p><i>(Pick one of the following)</i></p> <p><input type="checkbox"/> Confirmed</p> <p><input type="checkbox"/> Not confirmed, explain</p>

#	Minimum Requirement	Response
	and opportunity to cure, provided as to (A) or (B) that (i) Contractor shall have been notified in writing by the State of any notice of such claim; and (ii) Contractor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise.	
9	<p><u>Third Party Agreements:</u></p> <p>For the purposes of data sharing, including eligibility and claims information, please confirm if you have Third Party Agreements with Highmark, Aetna, DHIN and IBM in place today. If not, you will be required to enter into a Third Party Agreement with each vendor.</p>	<p>(Pick one of the following)</p> <p><input type="checkbox"/> Confirmed</p> <p><input type="checkbox"/> Not confirmed, explain</p>
10	<p><u>Offshoring:</u></p> <p>Please confirm your acceptance that an activity central to the Scope of Services cannot take place at a physical location outside of the United States. Only support activities may be performed at satellite facilities such as a foreign office or division. Subcontractors are also subject to this provision.</p> <p>The contractor shall not store, process, or transfer any non-public State of Delaware data outside of the United States, including for back-up and disaster recovery purposes. The contractor will permit its personnel and subcontractors to access State of Delaware data remotely only as required to provide technical or call center support. If a call center or claims processing office, for example, is located offshore, the transmission of data via secured means that is approved by the State is acceptable. The policy can be found at: https://webfiles.dti.gov/pdfs/pp/offshoreITstaffingpolicy.pdf</p>	<p>(Pick one of the following)</p> <p><input type="checkbox"/> Confirmed</p> <p><input type="checkbox"/> Not confirmed, explain</p>
11	<p><u>Non-Appropriation of Funds:</u></p> <p>Please confirm your understanding and acceptance that the validity and enforcement of a contract is subject to appropriations by the General Assembly of the specific funds necessary for contract performance. Should such funds not be so appropriated the State may immediately terminate the contract, and absent such action this Agreement shall be terminated as to any obligation of the State requiring the expenditure of money for which no specific appropriation is available, at the end of the last fiscal year for which no appropriation is available or upon the exhaustion of funds.</p>	<p>(Pick one of the following)</p> <p><input type="checkbox"/> Confirmed</p> <p><input type="checkbox"/> Not confirmed, explain</p>
12	<p><u>PBM Subcontractor, if Any:</u></p> <p>The State requires your organization to confirm that all services identified in your proposal are provided solely by your organization and identify any services that may be provided by a subcontractor. Subcontractors are subject to all the terms and</p>	<p>(Pick one of the following)</p> <p><input type="checkbox"/> Confirmed</p> <p>Not confirmed, explain</p>

#	Minimum Requirement	Response
	conditions of the RFP and the SEBC reserves the right to approve any and all subcontractors. For Phase I only, if you are using a PBM vendor as a subcontractor, note in your response to this question and complete Appendix A, <i>Subcontractor Information Form</i> , included herein. The company OSD classification information is for self-identification only. Each vendor is required to submit the forms for their subcontractors and if you advance to Phase II you will be asked to submit appendices for other subcontractors in your Phase II response.	
13	Contractor represents that should a contract be awarded based on this RFP, the mail service claims volume would not increase for Contractor's book of business by more than 10%. This should exclude lives of any other PBM owned by your parent company.	<i>(Pick one of the following)</i> <input type="checkbox"/> Confirmed <input type="checkbox"/> Not confirmed, explain
14	Contractor is a licensed Pharmacy Benefits Manager (PBM), with a minimum of five consecutive years of experience providing the Scope of Services requested in this Request for Proposal (RFP) (e.g., commercial and EGWP). Additionally, PBM complies with all provisions of Delaware law regarding licensing of PBM (HB 194).	<i>(Pick one of the following)</i> <input type="checkbox"/> Confirmed <input type="checkbox"/> Not confirmed, explain
15	Contractor represents that it is licensed with CMS and has been performing EGWP services for a minimum of 10 years.	<i>(Pick one of the following)</i> <input type="checkbox"/> Confirmed <input type="checkbox"/> Not confirmed, explain
16	Contractor has experience managing at least 10 large and complex clients similar to the State (commercial and EGWP) with greater than \$250 million in annual drug spend and 100,000 lives. This cannot include health plans.	<i>(Pick one of the following)</i> <input type="checkbox"/> Confirmed <input type="checkbox"/> Not confirmed, explain
17	Proposed Account Executive and Account Manager will have a minimum of 10 years' experience in the healthcare industry, either working for a health insurer or PBM, and have worked with clients of similar size and complexity. In addition, the proposed account executive and account manager will have worked for your organization a minimum of 5 years in their current role.	<i>(Pick one of the following)</i> <input type="checkbox"/> Confirmed <input type="checkbox"/> Not confirmed, explain
18	Confirm you agree to pass through 100% of all rebates received from pharmaceutical manufacturers as a result of the State utilization, including manufacturer administration fees. "Rebate" means a discount or other price concession, or a payment that is: (i) based on utilization of a prescription drug; and (ii) that is paid by a manufacturer or third party, directly or indirectly, to a pharmacy benefits manager, pharmacy services	<i>(Pick one of the following)</i> <input type="checkbox"/> Confirmed Not confirmed, explain

#	Minimum Requirement	Response
	administrative organization, or pharmacy on or after a claim has been processed and paid. “Rebate” includes without limitation incentives, disbursements, and reasonable estimates of a volume-based discount.	
19	Confirm that upon request you will provide an acquisition cost pricing proposal to the State. An acquisition cost pricing proposal should include those medications dispensed at Mail Order and Specialty and the full pass-through of all pricing components, with minimum guarantees.	<i>(Pick one of the following)</i> <input type="checkbox"/> Confirmed <input type="checkbox"/> Not confirmed, explain
20	Confirm that upon request, you will provide a transparent cost pricing proposal to the State. A transparent pricing proposal should include the full pass-through of all retail and should also include rebate components from all channels including retail, mail order, and specialty, with minimum guarantees.	<i>(Pick one of the following)</i> <input type="checkbox"/> Confirmed <input type="checkbox"/> Not confirmed, explain
21	Confirm that upon request, you will provide a traditional cost pricing proposal to the State. A traditional pricing proposal allows spread on discounts and dispensing fees but should include the full pass-through of all rebate components from all channels including retail, mail order, and specialty, with minimum guarantees.	<i>(Pick one of the following)</i> <input type="checkbox"/> Confirmed <input type="checkbox"/> Not confirmed, explain
22	Confirm you will allow the State the right to audit all aspects of the State’s pharmacy program managed by you including, but not limited to, financial terms, the specialty program, service agreements, administration, guarantees, ability to view pharmaceutical contracts and all transparent and pass-through components including rebates as defined above in #18 and acquisition cost pricing, as applicable.	<i>(Pick one of the following)</i> <input type="checkbox"/> Confirmed <input type="checkbox"/> Not confirmed, explain
23	Contractor represents that it owns its rebate contracts directly with pharmaceutical manufacturer companies and does not use a rebate aggregator OR if an aggregator is utilized, rebate contracts will be fully auditable with up to 20 pharmaceutical manufacturers.	<i>(Pick one of the following)</i> <input type="checkbox"/> Confirmed <input type="checkbox"/> Not confirmed, explain
24	Confirm you will provide reporting on the acquisition cost of all claims dispensed under the plan, even if the State does not implement an acquisition cost arrangement.	<i>(Pick one of the following)</i> <input type="checkbox"/> Confirmed <input type="checkbox"/> Not confirmed, explain
25	Rebate guarantee modifications of the contract will not be allowed unless the State changes to the formulary result in a 10% or greater loss in total rebates. Any changes to the rebate guarantee, based on the State’s changes to the formulary, will be based on the actual reductions in rebate revenues related to that decision and will be	<i>(Pick one of the following)</i> <input type="checkbox"/> Confirmed <input type="checkbox"/> Not confirmed, explain

#	Minimum Requirement	Response
	fully supported by documentation made available to the State and its consultant by the PBM on a prospective basis only.	
26	Agree that the State may audit all components of the plan at any time after the effective date of the contract including up to 3 years following the termination of the prescription benefit agreement at no cost to the State. The review of all aspects of the pharmacy program may include, but will not be limited to: paid claims, the claim processing system, rebate agreements, performance guarantees, retail network, acquisition pricing, Medicare Part D reconciliations, transparency, pricing benchmarks (e.g., AWP source), onsite assessments and customer service call monitoring.	<i>(Pick one of the following)</i> <input type="checkbox"/> Confirmed <input type="checkbox"/> Not confirmed, explain

IV. Technical Standards and Security Requirements

- A. You are not required to respond to these requirements now in Phase I. If you are selected as a finalist for Phase II, these terms are mandatory requirements. Please acknowledge that you have reviewed the requirements and, if you are awarded the contract, you can meet them, either at the time of your response or before the first file exchange.

Response:

.....

IMPORTANT!!

FOR REVIEW ONLY – DO NOT RESPOND TO EACH TERM

REPLY ONLY TO “A” ABOVE

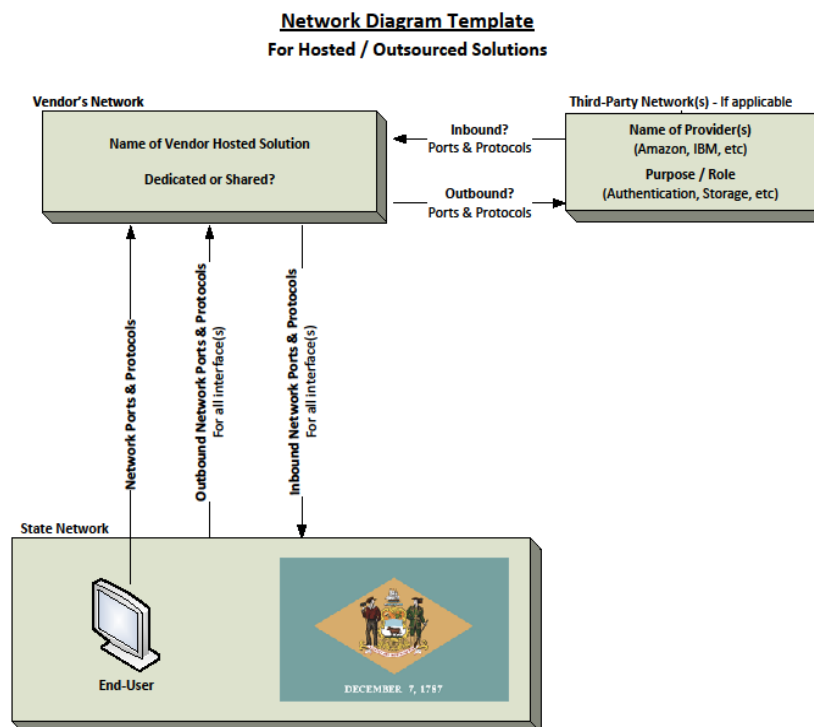
1. Subcontractors – Subject to all Contract Terms - The State requires your organization to confirm that all services identified in your proposal are provided solely by your organization and identify any services that may be provided by a subcontractor – **including technology platforms**. Subcontractors are subject to all the terms and conditions of the RFP and the SEBC reserves the right to approve any and all subcontractors. If a subcontractor(s) is involved, note in your response to this question and complete the Appendix, *Subcontractor Information Form*, included herein for each subcontractor. The company OSD classification information is for self-identification only. Each vendor is required to submit the forms for their subcontractors.
2. Strong Password Requirement - A strong password requirement is applicable to your member facing secure website if members/participants can access any personally-identifiable information. This would typically be for their personal account with claim or claim-type data. It also applies for “super-users”, Statewide Benefits Office personnel, for activities such as accessing reports with personally-identifiable information. It is not a requirement for the vendor’s internal data access system.

The requirement for a strong password is eight (8) characters and a password of ten (10) characters is strongly preferred. The policy document is located at:

<http://webfiles.dti.gov/pdfs/pp/StrongPasswordStandard.pdf>. Please confirm that you comply or would by the effective date of the contract if awarded.

3. Software Inventory - Please respond on the Appendix, *Software Inventory*, with a list of any software that the Statewide Benefits Office’s account management personnel may need. For example, Adobe or Visio. Also list the web browsers (IE) or web service that participants or members would need to access the customer service interface.

4. Additional Data Requests - Please confirm your agreement that if you are awarded the contract and then request additional data, whether or not on a file feed or in a report, the State shall determine the cost of supplying the data and may deny the request.
5. Threats - The SANS Institute and the FBI have released a document describing the *Top 20 Internet Security Threats*. For your review, the document is available at <https://www.cisecurity.org/controls/cis-controls-list/>. The contractor confirms that any systems or software provided by the contractor are free of the vulnerabilities listed in that document. (A response that security threats are always changing is not acceptable.)
6. Please state whether or not Delaware data will be transmitted via email or accessible on a mobile device. If so, the following requirements apply.
<http://dti.delaware.gov/pdfs/pp/SecureEmail.pdf>
<http://dti.delaware.gov/pdfs/pp/MobileDeviceEncryptionStandard.pdf>
7. Link to Enrollment Website (For Non-Incumbent Only)
 During the Open Enrollment period, employees have the ability to access their benefit choices through a single portal to enroll in some benefits and be linked to other benefit websites. Please confirm that your organization has the capability to link your website from the State's single sign-on site, a PeopleSoft based program.
8. As an exhibit, please provide a diagram with ports that clearly documents the user's interaction with your organization's website and the State. The network diagram should follow the following example:



9. All the terms apply in Attachments 3 and 4, *Delaware Data Usage Terms and Conditions Agreement* and *Delaware Cloud Services Terms and Conditions*, because the data is non-public data. If awarded the contract, your organization must sign the documents as required by the Department of Technology and Information (DTI) and they will be an appendix to the contract. Please review the terms carefully. If there are terms that you assert do not apply to this engagement, you may provide a reason and explanation in your Phase II response.

APPENDIX A

SUBCONTRACTOR INFORMATION FORM

PART I – STATEMENT BY PROPOSING VENDOR/CONTRACTOR		
Name of PROPOSING VENDOR/CONTRACTOR:		
Name and Address of SUBCONTRACTOR:		
Company OSD Classification, if any: Certification Number:		
Check all that apply: Women Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No Minority Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No Disadvantaged Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No Veteran Owned Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No Service Disabled Veteran Owned Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No		
DETAILED DESCRIPTION OF WORK BY SUBCONTRACTOR		
PROPOSING VENDOR/CONTRACTOR:		
NAME:	BY (<i>Signature</i>)	DATE SIGNED
TITLE:		
ACKNOWLEDGEMENT BY SUBCONTRACTOR		
NAME	BY (<i>Signature</i>)	DATE SIGNED
TITLE		